DDEV PLASTIKS

Date: 19th May, 2025

To
The Manager,
Listing Department,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001

Scrip Code: 543547

To
The Manager
Listing Department
National Stock Exchange of India Ltd,
Exchange Plaza,
Bandra Kurla Complex, Bandra (East),
Mumbai– 400051

Scrip Code: DDEVPLSTIK

Sub: Transcripts of Earnings Call held on 16.05.2025

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sirs

This is in furtherance to our letter dated 05th May 2025 and 16th May 2025 with respect to Intimation of Schedule of Earnings conference Call for the 4th quarter and financial year ended 31.03.2025 ("Q4 & FY25") and submission of audio recording post such conference call, respectively.

In terms of Regulation 30(6) read with Schedule III Part A Para A Clause 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the transcripts of the earning conference call conducted on Friday, 16.05.2025 for the Q4 & FY25 is attached herewith.

The same will also be hosted on the website of the company at www.ddevgroup.in.

Kindly take the aforesaid information on record and oblige.

Thanking You,

Yours faithfully,

For Ddev Plastiks Industries Limited

TANVI GOENKA Digitally signed by TANVI GOENKA Date: 2025.05.19 14:12:02 +05'30'

Tanvi Goenka (Membership No. ACS 31176)
Company Secretary

DDEV PLASTIKS INDUSTRIES LIMITED 2B, Pretoria Street, Kol-71

"Ddev Plastiks Industries Limited Q4 FY-25 Earnings Conference Call"

May 16, 2025

MANAGEMENT:	**MR. DDEV SURANA – CHIEF EXECUTIVE OFFICER, DDEV PLASTIKS INDUSTRIES LIMITED** **MR. ARIHANT BOTHRA – CHIEF FINANCIAL OFFICER, DDEV PLASTIKS INDUSTRIES LIMITED** **MR. NARRINDRA SURANNA – MANAGING DIRECTOR, DDEV PLASTIKS INDUSTRIES LIMITED** **MR. RAJESH KOTHARI – DIRECTOR, DDEV PLASTIKS INDUSTRIES LIMITED**
MODERATOR:	**MS. RENUKA SIVSANKAR – PHILLIPCAPITAL (INDIA) PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Q4 and FY '25 earnings conference call of Ddev Plastiks Industries Limited, hosted by PhillipCapital PCG Desk.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*", then "0' on your touch tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Renuka from PhillipCapital India Private Limited. Thank you and over to you ma'am.

Renuka Sivsankar: Thank you, Yusuf. Good afternoon, everyone. On behalf of PhillipCapital Private Client Group, I welcome all of you to the Q4 and FY '25 Earnings Conference Call of Ddev Plastiks Industries Limited.

Today, from the Management, have Mr. Narrindra Suranna – Managing Director, Mr. Ddev Surana – Chief Executive Officer, Mr. Rajesh Kothari – Director, and Mr. Arihant Bothra – Chief Financial Officer.

I now hand over the conference to Mr. Surana for his opening remarks, and then we will open the floor for the Q&A. Over to you.

Ddev Surana: Thank you. Good afternoon, ladies and gentlemen. Welcome to the Ddev Plastiks Q4 FY '25 Earnings Call. Yesterday, our Board of Directors approved the Financial Results for the 4th Quarter and full year of '24-'25.

We are pleased to present our performance, key developments and future outlook. During this call, we will provide an overview of our financial and operational performances, discuss our strategic roadmaps and outline our growth ambitions. We will also highlight the key initiatives undertaken during the year and share our vision for a sustainable long-term expansion in FY '26 and beyond.

Financial year '25 has been very exciting for us, marked by significant milestones, growth, aligned with our management's guidance and vision, and an unwavering commitment to excellence.

The global economy experienced steady yet uneven growth across regions in FY '25. While global manufacturing slowed, particularly in Europe and in parts of Asia due to supply chain disruptions and weak external demand, the service sector remained resilient, driving the economic growth in several regions. Inflationary pressure eased across most markets, providing some relief to businesses and consumers.

Despite global uncertainties, India maintained steady economic growth with real GDP expanding by 6.4% in FY '25, remaining close to its decadal average.

For financial year '26, real GDP growth is projected in the range between 6.3% to 6.8%, driven by strong domestic consumption and investment. The industrial sector is esteemed to have growth by approximately 6.2% in FY '25. The current economic sluggishness is expected to be temporary, with a notable recovery anticipated in the coming quarters.

Government-led public capital expenditure is projected to accelerate, supporting infrastructure growth and industrial demand. Additionally, the real estate sector continues to benefit from the strong demand and new project launches, ensuring sustained expansion.

Improving private sector demand is also expected to provide a significant boost to the economic momentum. These positive macroeconomic trends will give strong domestic demand for our product portfolio, positioning us for robust growth, just as we have consistently delivered in the past.

The Cables and Wire segment remains central to India's industrial expansion. Continued investments in power infrastructure, real estate and private capital expenditures are expected to sustain demand momentum.

Recent trends also highlight the sector's resilience and long-term growth potential, making it a crucial pillar of India's industrial and infrastructural development. Domestic demand for Cable and Wire products remains strong, fuelled by rapid electrification, infrastructure expansion and sectoral growth in power and transition and distribution, real estate and transportation. The domestic Cable and Wire market is projected to grow at a CAGR of 11% to 13% from FY '24 to FY '27. India's emergence as a net exporter of Cable and Wire products since FY '20 underscores its ability to meet the global demand.

On the global front, key demand drivers include the global push for renewable energy, an accelerated adoption of electric vehicles and power grid modernizations. Despite concerns over potential U.S. import duties, the sector remains well-insulated due to America's reliance on cable imports.

India has strengthened its foothold in the U.S. market in the Cable and Wire exports, growing at a CAGR of 44% from FY '17 till FY '24. While export revenues face temporary headwinds in the first half of FY '25 due to logistical disruptions and subdued demand, a recovery is already underway. We anticipate mid-teen growth in FY '26, driven by higher export volumes, better realizations, and improved margins.

The Wire and Cable segment, which constitutes nearly 40% of India's electrical industries, continues to offer strong tailwinds. With the accelerating pace of electrification across homes, factories, EVs, data centers, and solar infrastructure, and with major players like Adani and UltraTech entering the space, Ddev Plastiks is primed to be a reliable and established supplier of polymer compounds to this high-growth sector.

Backed by strong momentum in both domestic and international markets, we view this industry as a high-growth opportunity. To capitalize on it, we are executing strategic initiatives including capacity expansion, the introduction of high-margin value-added products, new product launches, and the exploration of new export markets as well. These initiatives are progressing as planned, and are lined with a long-term vision for driving sustainable growth and profitability.

Delving further into our FY '25 performance, our volumes stood at 1,89,374 metric tons per annum, registering a growth of 14% year-on-year basis. As of FY '25, our installed capacity stood at 2,33,400 metric tons per annum, reinforcing our position as the India's largest polymer compound manufacturer.

We achieved a record capacity utilization of 81% during this fiscal year, one of the highest levels since our demerger with Kalpana Industries. We have 5 modern state-of-the-art manufacturing plants located in West Bengal, Daman and Diu, Dadra and Nagar Haveli.

These facilities are strategically positioned on both the east and west coast of India, thereby minimizing our freight costs. We have also developed a world-class research and development facility, equipped with the cutting-edge machinery, led by experts to deliver on innovative solutions. The facility also engages in scientific and technological collaborations with esteemed institutes like IIT and University Institute of Chemical Technology in Mumbai, to name a few others.

For the year-ended FY '25, we delivered a strong performance with consolidated revenue reaching INR 2,603 crores. We closed the year with an EBITDA of INR 287 crores, while our PAT stood at INR 185 crores.

I would like to highlight that our PAT has grown at an impressive CAGR of 46%, rising from INR 27 crores in FY '20 to INR 185 crores in FY '25, reflecting the strength of our business model and consistent execution over the years.

I am also pleased to highlight that our company has become a net debt-free company in Q4 of FY '24 and has maintained its position to date.

A significant milestone in our journey was also our listing on the National Stock Exchange, which has further enhanced our liquidity. Also additionally, during this fiscal year, we received NTPC approval for 3.3 kV insulation, reinforcing our commitment to quality and industry standards.

In FY '26, we will continue to build our momentum by expanding our XLPE, PVC and HFFR compounding capacities to cater to the growing demand for high-voltage cables. As part of our broader strategy to strengthen our product offerings and manufacturing capabilities, we plan to introduce an XLPE compound suitable for cables up to 132 kV with future plans also extend this to 220 kV as well. These initiatives will help us stay aligned with the market needs and support our objectives of gradually increasing market share in India and overseas.

Additionally, we remain committed to reinforcing our position in the domestic market, while steadily expanding our geographical presence over the next 2 years across the globe. Furthermore, in line with the earlier guidance, we are targeting a volume growth of 10% to 15% and a revenue growth of 12% to 13%, aiming to reach a revenue of approximately Rs 4,500 to Rs 5,000 crores by FY '30.

We expect to maintain a healthy EBITDA margin of around 10% to 12%. Our strategic focus will remain on enhancing our operational efficiencies, expanding our product portfolio and delivering sustainable value to all our stakeholders.

I now invite our CFO, Mr. Arihant Bothra, to take things forward.

Arihant Bothra: Good afternoon, everyone. Our continued focus on innovation, capacity expansion and sustainability has enabled us to successfully navigate Financial Year '25 and close the year on a strong note.

In the 4th Quarter, revenue from operations stood at Rs 737 odd crores, reflecting a robust 23% year-on-year growth. EBITDA came in at Rs 79 odd crores with a margin of 11%, while profit after tax was approximately Rs 52 odd crores, delivering a 7% margin for the quarter.

In terms of volumes, we achieved highest-ever quarterly sales of 50,752 metric tons in this particular quarter, compared to the previous quarter. Quarter 4 last year stood out due to the significant annual discounts offered by polymer producers. This was driven by the entry of a new player with a large polyethylene capacity, which intensified competition and led existing producers to adjust their pricing strategies.

Now, moving on to full-year fiscal results, revenue from operations for FY '25 stood at approximately Rs 2,603 crores, which is again highest-ever achieved by us. EBITDA was Rs 287-odd crores, reflecting a stable margin of 11%, while PAT stood at Rs 185 odd crores, with a margin of 7%.

In terms of volume, we achieved the highest ever sales of 1,89,374 metric tons in this particular financial year, registering a year-on-year growth of 14%.

During the year, we incurred a CAPEX of Rs 55-odd crores and we plan to invest another Rs 110 odd crores in this current fiscal year to support our continued growth and expansion initiatives. We are pleased to highlight that Crisil has upgraded our credit ratings to A+ stable for the long term, as well as A1+ from A1, for the short term. A1 is the highest short-term rating, reflecting our strong financial and operational performance.

We are committed to better and stronger performance in FY '26 and going forward. We now open the floor for questions and answers.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Pritesh Chheda from Lucky Investments. Please go ahead.

Pritesh Chheda: Thank you. The question is, what is so unique in Quarter 4 last year, which is not in Quarter 4 this year, and whereby, let's say your 9-month's EBITDA growth rate was 10%, and your full year number has come down to 5% EBITDA. So, you may want to explain us the difference in these 2 quarters.

Ddev Surana: Arihant?

Arihant Bothra: Yes, sir. So, if you see last year Quarter 4, specifically, we had, as I explained, annual discounts being comparatively higher as compared to the current year. It was majorly because of a new player entrant, because of which the entire petrochemical producers have adjusted their pricing strategies.

Secondly, when you compare this with the previous few quarters, the raw material prices were at bottom when we compare the Quarter 2 and Quarter 3 of this fiscal year, while in this particular quarter, prices have gone up by almost 6% to 7%. So, you can say there is an impact of the base effect, which is reflecting in terms of percentage.

While it's on EBITDA per ton, if you see quarter and quarter basis, so the 3rd Quarter stood at roughly INR 15.3, while the last quarter was INR 15.5 and the current quarter we have achieved INR 15.6 of EBITDA per ton, even after we achieving the highest quarterly volumes.

Pritesh Chheda: Okay. But if you recall your Quarter 4 transcript last year, for explanation of the Quarter 4 margin last year was these discounts, and you had said that it happens annually every year. So, now the nomenclature is that it was one-time because the producer was a newer entrant in the market. So, how do you want to assess these 2 information?

Ddev Surana: Kothari ji, would you like to elaborate on this?

Rajesh Kothari: See, Mr. Chheda, last year a new entrant came and all the companies have to readjust their annual distribution. So, what happens is that we sold our quantities throughout the year and an annual bonus, more than what we expected came in. So, that is why it became exceptional. This year also, now the discounts are declared upfront from the beginning itself. So, what happens is that competition also takes that into account and starts offering pricing on the basis of that. So, the surprise element of the annual bonus is not in this year, which was there last year.

Pritesh Chheda: Okay. Which means that the margin that now you are reporting at INR 15 or let's say 11% is a more normal number versus the 14% which would have a 2%-3% type extra benefit last year, which was not called out in the call.

Ddev Surana: Yes, yes.

Pritesh Chheda: Okay. My second question is on the capacity side and the volume. So, you had the HFFR capacity being utilized this year versus last year and you have called out the HFFR as a higher margin. But I don't see it translating into EBITDA per kg yet. So, you may want to explain that part.

And second, your capacity is 2,00,033. Do you have adequate capacity in this to ensure that you have a double-digit volume growth next year, which you have called out about 14%-15% or do you need additional capacity during the year to generate that volume?

Ddev Surana: Yes. So, first, let me answer this question with regard to HFFR. See, if you look at the total volume of HFFR last year, what we have done is close to 3,200 tons, out of the total 190,000 tons. So, even if the margins are a little better in HFFR, the overall impact is not going to be significant, because the volumes are not significant. This is one part.

Now, coming to the capacity part, yes, if you look at the various product categories, in case of HFFR, we are literally using almost 80% of the installed capacity by now, okay. So, we need the capacity there for which we have already ordered for the equipment and the equipment will get commissioned in the first quarter, before June or maybe July this year.

Then similarly, we need to add capacity for XLPE and Sioplas and Semicon Group. There also we ordered equipments. And then before say, July, August, that capacity will also come on stream. So, we will have enough capacity with these additions to meet our 15% CAGR projection for the current year.

Pritesh Chheda: How much capacity are you adding in quarter one and whatever?

Ddev Surana: Arihant could you get this number.

Arihant Bothra: For quarter one, we are adding only 5,000 tons on XLPE part, whilst in Quarter 2, installations will take place, but expected, you can say, COD is in the 3rd Quarter. That is, for PVC, close to 25,000 tons, HFFR, 5,000 tons. And another few capacities, Sioplas are being de-bottled.

Pritesh Chheda: Sir, you are not audible, so you need to tell again.

Arihant Bothra: So, for XLPE, in the first quarter, 5,000 tons per annum capacity have been made operational, whilst some capacities are being de-bottlenecked and machineries are in pipeline, which will be operational by 3rd Quarter.

When we talk about PVC, Q2, the machines will be available in the plants, but as per the overall estimation, the commercial operation will start from the 3rd Quarter. The capacity is close to 25,000 tons. For HFFR, 5,000 tons is already working, and 5,000 tons is already ordered, which will be operational by end of September.

Pritesh Chheda: So, this 5,000 plus 5,000 plus 25,000 is about 35,000 tons.

Arihant Bothra: It is already planned. There will be some additional capacities as well.

Pritesh Chheda: Okay, sir. I will come back if I have more questions. Thank you.

Moderator: Thank you. Next question is from the line of Bhargav from AMBIT Asset Management. Please go ahead.

Bhargav Buddhadev: Yes. Good afternoon team and thank you very much for the opportunity. Sir, my first question is on exports. So, if you look at the last 4, 5 years, we were doing generally (+25%) of revenue as exports, but that number has been falling in the last 1 year. So, what are we doing to sort of reignite our exports?

Ddev Surana: Namaskar, Bhargav ji. See last year, in our earlier commentary, we said that the first half, we had a challenge of higher sea freight, and those difficulties were there. But you can see in the last quarter, we have improved our export numbers, because sea freight and logistic situation is still challenging. And local demand was very strong. So, we were placing more material in the local market.

But in last quarter, we decided that we need to retain our market share and also secure growth from the export volumes. So, we went out and secured the export orders in an aggressive manner as long as the EBITDA margins were comparable to the local EBITDA. So, this quarter, you must have seen the growth in the export volume.

And we see the same momentum continuing in the current year. So, first quarter, second quarter, you will see continuous growth in our export volumes.

Bhargav Buddhadev: So, sir, in FY '26, can we expect the share of exports to come back to 25% of overall revenue?

Ddev Surana: Yes, absolutely.

Bhargav Buddhadev: And exports generally tend to have higher margins, right? Is that understanding correct?

Ddev Surana: Yes, yes, this understanding is correct. But unfortunately, today we are facing this logistic issue, sea freight issues that uncertainty part. So, there are certain markets which are particularly the long distance market, which used to pay you more, those are not so remunerative.

And that is why we expect that at least EBITDA to be at par with what we earned locally. In some markets, it could be better. But of course, the volume wise, we will be able to regain 25% market share from export. But on EBITDA side, it will take a bit of time to regain this earlier EBITDA numbers from the export.

Bhargav Buddhadev: Okay. Secondly, sir, we were in a testing phase for 132 kV. So, when do we start getting commercial revenue from this segment?

Ddev Surana: See, 132kV commercial revenue will not be possible before FY '27, FY '28 maybe. And the challenge today, even today, because last 2 quarter or 3 quarter constantly we are discussing this topic. Unfortunate part is that the product is ready, but we are not able to tie up. We have tie up with 2 customers, but the demand is so strong with them that they are not able to spare the machines for trial. And until and unless the type tests are done, we cannot move commercially. That is the big challenge at the moment.

But people are promising because some of the companies are expanding their capacities, and they will be ready with the new capacity by the end of this quarter by June. So, hopefully in June or July, the trial should take place.

Bhargav Buddhadev: And lastly, sir, on the HHFR, you highlighted that we sold about 3,000 odd tons in FY '25. Now that we are adding capacity, so are we confident that this 3,000 tons can cross 5,000 tons in FY '26 and that is why we are adding capacity?

Ddev Surana: Yes, yes. See, if you look at the capacity which we have sold last year, it is 3,200 odd numbers, that quantity, and the majority of the sales push has come in the second quarter, because generally you can produce 80-85% of your installed capacity, okay, with the downtime and this and that, grade change and all. So, now we are almost running at full capacity, what is producible. So, if you look at 3,200, okay, yearly average you might see that 250-260 tons a month, okay. But if you look at last 3-4 months, we are almost at full capacity. So, we are quite confident that we will be able to push more material of HHFR in the market, because there is a pull.

Bhargav Buddhadev: And the driver will be mainly solar, right? Solar power will be the main driver?

Ddev Surana: No, solar power is the main driver, but apart from that, the cable installation in all multiplexes and metros, that is also a driver.

Bhargav Buddhadev: Okay. Okay, sir. Thank you very much for the updates and all the very best.

Moderator: Thank you. Next question is from the line of Amar Maurya from Lucky Investments. Please proceed.

Amar Maurya: Sir, thanks a lot for the opportunity. 2 questions, sir. What was our trading volume for FY '25 total in terms of the value, what would be the trading value?

Arihant Bothra: Last year, FY '25, we did close to INR 327 odd crores.

Amar Maurya: INR 327 crores. Okay. And, sir, now FY '24 end, we did some EBITDA per kg of around INR 15. Now, this kind of EBITDA per kg is sustainable going forward or how should we read this number?

Ddev Surana: Kothari ji, would you like to address it?

Rajesh Kothari: Which? This Quarter 4, 15,600 number, you are talking about this?

Amar Maurya: Yes, basically, this quarter, we must have done the volume of 50,181, right? Total volume?

Rajesh Kothari: We did a volume of almost 50,750 tons.

Amar Maurya: 50,750 tons and EBITDA of around INR 76 crores, correct?

Rajesh Kothari: Yes, so EBITDA is around INR 15.6 per kg or 15,600 per metric ton. This is the EBITDA for this quarter.

Amar Maurya: And this includes other income, sir, I believe?

Rajesh Kothari: Yes.

Amar Maurya: This will be including other income.

Ddev Surana: Arihant?

Arihant Bothra: Yes, yes.

Amar Maurya: Yes. If they take it out, sir, so basically, INR 14.9 we will get. So, I am just trying to understand this kind of EBITDA per kg is now looking sustainable to you?

Arihant Bothra: So, I would like to add first, before Kothari ji speaks on this. See, other income is mostly part of business. There are 3 types of income in this for everybody to have a clarity. First is the export incentive, which is part of the business. Once we export, then only we get this benefit. But as per the IND AS requirement, we have to report it separately.

Second is the foreign exchange gain loss, wherein we report our purchase at custom-driven rates, which is generally INR 1 higher than the market-driven rate. Similarly, exports are recorded at custom rates, which are INR 1 lesser than the market-driven rates. So, on both sides, we are under-reporting revenue as well as over-reporting expenses. So, this additional gain is going towards the other income.

Why we do so? Just to ensure that our GST compliances and GST figures, tally with the customs-driven exchange rates and their figures. So, there is no dispute whenever we file a bill of entry or shipping bill.

Third, this includes interest income, which is today majorly, if you see, we are net debt-free. So, whatever debt we are taking is on sort of an arrangement to ensure that our limits which are committed to the bank are also utilized at a limited level, whilst the same amount does not stand idle, and we earn some revenue on it. So, interest cost becomes part of the finance cost, whilst interest income shows as an income. If we consider all this as part of business, then it will reflect the correct EBITDA number.

Now, as far as going forward, maintaining of this number is concerned, we have been continuously maintaining from the earlier quarters that INR 15 and above is something which we are trying to maintain. And if you see the last 3 quarters, 15.3, 15.5 and 15.6 is the overall EBITDA numbers per kg basis which we have achieved.

I now hand it over to Kothari ji to add further.

Rajesh Kothari: Yes. So, Arihant has already clarified that 3 quarters we have demonstrated that this number is maintainable, and in all concalls we have said that always in the businesses some headwind and some tailwind will be there, so there will be a range. There cannot be an absolute number. The range what we expect is, the range is going to be between INR 14,500 to INR 16,000 per metric ton of EBITDA, this is achieved.

Amar Maurya: Okay. And sir, if you can give me the volume number of last 4 quarters, Q1, Q2, Q3, Q4, exact number.

Arihant Bothra: Just a second. So, Q1 was 46,000 tons, Q2 was around 45,000 tons, Q3 was…

Amar Maurya: Sorry, 45.

Arihant Bothra: 45. Q3 was around 48,000 tons and Q4 is around 51,000 tons.

Amar Maurya: So, 5075, right? 5075.

Arihant Bothra: Yes.

Amar Maurya: Okay. So, basically sir, if I exclude other income, then basically from last 3 quarters your EBITDA per kg is in the range of INR 14 to INR 15, that is what you are saying?

Arihant Bothra: Yes. But generally we include the other income because as far as, it is part of the business.

Amar Maurya: Got it, sir. Got it. Point taken, sir. Point taken. Thank you.

Arihant Bothra: Thank you so much.

Moderator: Thank you. Next question is from the line of Parth Kotak from Plus91 Asset Management, LLP. Please go ahead.

Parth Kotak: Hi, thanks for taking my question, sir. So, one is on the receivables. Receivables have increased for a couple of years. And how do you see the working capital intensity changing especially with increased exports and CAPEX coming up?

Ddev Surana: See, as far as the receivables are concerned, we do not see any issue in this. This temporary increase is because of the increase in revenue, as well as, specifically if you have to see the last quarter has seen an increase in the raw material prices by close to INR 9 to INR 10. The same has been passed on. So, a similar percentage if you see is around 6% to 7% as far as the effect is concerned. So, when you compare this with the last numbers, probably of H1, then 6% to 7% increase in the receivable is expected and that can be maintainable.

Secondly, as far as the CAPEX and cash flow is concerned, if you see we are generating close to INR 185 crores of PAT and INR 200 crores of cash in the system. The CAPEX we have done last year is close to INR 55 odd crores and majorly the money has gone for reduction of the working capital utilization and other from banks.

Even the reliance on higher creditors is also being reduced and negotiated for a cash discount or you can say other benefits. Similarly, the additional CAPEX which we are planning for the coming years is planned in this manner that the generations will first cater to the CAPEX, while the balance revenue cash generation will be allocated for the working capital utilization. If there is any further requirement, then we may look for other alternatives.

Parth Kotak: Got it, sir. Got it. That was a fairly detailed answer. Sir, second is just want to get a sense on our manufacturing capabilities. In the presentation, we have mentioned our partnerships with IIT Kharagpur and UICT. One, is there any differentiating factor globally for Ddev's products or manufacturing practices with other players in the market? And are we working on some other chemistries or sustainability solutions that could differentiate ourselves?

Ddev Surana: Yes, so now when we say the differentiator, because if you look at our slides that our manufacturing processes involve the chemical reaction, reaction-based compounding, and that is where the precision of that reaction and repeatability of that reaction. These are 2 very important factors. These are the differentiator between us and any other competitor and our XLPE product.

We are one of the leading players globally who have got a recognition for consistency of the quality, and also the capability to develop a tailor-made product at shortest possible notice. The time which we take for the developing new product, because our R&D backup and understanding of the product chemistry is so strong that the amount which we take for developing a new product tailor-made for any of the customers is much less than any of our competition, and these are the things which are playing in our favor.

Parth Kotak: Got it, sir. Thank you. Thanks for answering my questions.

Moderator: Thank you. Next question is from the line of Vikash Daga from Yashwi Securities. Please go ahead.

Vikash Daga: Could you please reiterate your volume and revenue guidance for the next year?

Ddev Surana: Yes. So volume guidance is around 13% to 15% of volume growth, whilst revenue guidance is 12% to 15% of value growth.

Vikash Daga: Okay. And could you please share the competition you mentioned that entered last year?

Ddev Surana: Competition? We mentioned about..

Vikash Daga: New competitors.

Ddev Surana: New supplier. New supplier.

Vikash Daga: Okay. And could you please also mention the market shares in the 3.3 kV wires and 32 kV, 62 kV and 72 kV wires?

Ddev Surana: It is very difficult to give precise number. But yes, 3.3 kV is basically considered to be part of low voltage. Okay. So in low voltage, our market share in India is close to 50%. When we come to the medium voltage for Sioplas route, our market is close to 80%. And the rest of the Semicon and other products, our market share is one-third.

Vikash Daga: Okay, sir. Thank you.

Moderator: Thank you. Next question is from the line of Shashi Ranjan, an individual investor. Please go ahead.

Shashi Ranjan: Thank you for the opportunity, sir. Can you just enlighten me about the XLPE compound for 220-volt kV status?

Ddev Surana: Yes. So XLPE is basically insulating material. What we are doing today is up to 72 kV. And now we are trying to upgrade ourselves to 132 kV first and then to 220 kV. And as I answered the question of some of the investors, where we said that revenue from 132 kV is expected somewhere in Financial Year 2027 or '28. So this is our pipeline.

Shashi Ranjan: Sir, and just a clarification on that. In view of the value-added compounds like XLPE and HFFR and especially HVPE compounds going live by FY '27, '28, how confident you are of hitting INR 5,000 crores of sales by 2030 when the value-added compounds are getting delayed? So can you just enlighten us about that line?

Ddev Surana: No, no. See, this cable compound, this industry is mix of compound required for 660 volt, up to 440 kV, okay? So the range is quite big. And where the maximum volumes are there, we are already present there up to 72 kV. So the turnover which we are getting from these products, which we are doing currently is in the range of INR 2,600 crores plus.

So even if you look at 15% CAGR, till 2030, we'll be definitely be able to reach closer to INR 5,000 crores with our existing product line itself. And these additional products will definitely enhance our capability to reach those numbers faster, but they are not that critical for reaching that volume number.

Shashi Ranjan: Sir, thank you for the clarification. Just one last question. On the CAPEX of INR 110 crores in the coming financial year, what are the various segments in which we are looking to spend that INR 110 crores?

Ddev Surana: Arihant?

Arihant Bothra: Yes, PVC, HFFR and XLPE.

Shashi Ranjan: Okay. So entire INR 110 crores goes to XLPE and HFFR?

Arihant Bothra: HFFR, PVC and XLPE, all 3 segments.

Shashi Ranjan: Okay. Thank you for the time and answer. Thank you, sir.

Moderator: Thank you. Next question is from the line of Gunjan Kabra from Niveshaay Investments. Please go ahead.

Gunjan Kabra: Thank you so much for the opportunity. Sir, I wanted to understand that how should we see the volume growth in front of the cable companies. Like the cable companies in India are growing at a very high rate versus our volume growth. So like we have a very good market share. We are the leaders in the segment.

So how should we see in terms of my understanding, I wanted to know that the end user companies are growing. So, are the imports basically increasing a lot more than of their sourcing component or in the recent times, because of the rupee depreciation imports and the lead time imports were lesser and we can gain market share going forward, a lot more domestic sourcing can happen of these cable companies?

Rajesh Kothari: See, the cable companies are having a different business model compared to us. Because all these companies are having certain products like building wire, which goes for our electrification of our houses, we are not participating in that business much, okay? So the kind of growth which we are generating from there, we are not participating.

Secondly, every cable company is having an EPC business, where we do not participate. So their growth of EPC, we are not able to participate. And that reflection of the growth, you will not see in our volumes. Similarly, in telecommunication sector, okay, we are not participating. So there, whatever the growth is being generated by them, you will not see the replication of that in our volumes, our growth.

And next point is very important. They are having a product which will enhance their business or their top line significantly. Whenever you are talking to the cable industry's results, they are not giving any quantitative input. When you look at their top line, you will get the top line value, but it is very difficult for them to provide you a quantitative report that how much kilometers of a particular cable they have made. So as the copper and aluminum prices are going up, okay, so their top line is showing a significant growth because of the metal prices also going up. That is one part.

And as Arihant told in earlier comments that last year, we have seen the drop in our raw material prices compared to 2023, 2024. So raw material prices didn't support our top line increase at par with the cable companies. I hope we are clear.

Gunjan Kabra: Okay, sir. Got it. Okay. Thank you.

Moderator: Thank you. Next question is from the line of Amlan Chakraborty from AK Investment. Please proceed.

Amlan Chakraborty: Sir, my question to you is given the raw material prices fluctuation, which Ddev has witnessed for some time, how does the company expect for the input cost to stabilize in terms of the global prices? And I am talking in the context of the crude prices dropping, and Ddev taking the major source of raw materials from Reliance? That is the first question. And how does Ddev anticipate for supply chain issue stabilization, along with developing more premium products and working towards higher margins? Thank you.

Rajesh Kothari: So on the first question, see, our overall marketing policy is very much clearer with our customers, rather transparent with the customers, wherein whenever there is a change in raw material prices, our price list changes, and we immediately take the new orders on the basis of new price list.

Any order which we receive are not of any long-term nature. It are generally all spot orders and short term in nature. So whenever we see input as stabilizing, then definitely, we can say that raw material prices are not in our control. But our EBITDA margins in per ton basis is something which we can control and which we are focusing on to control.

We are trying to pass on whatever price increase or decrease is there to the customers. Whilst you have had a separate question in the same question that crude price movement. So in India, it is not majorly the crude price movement, which triggers the change in price. It is more of demand and supply, which triggers the prices movement, whether that is headwinds or tailwinds. So this is from that perspective.

Secondly, on terms of supply chain disruptions, see, on raw material side, we have already clarified and we will again reiterate that we have domestic suppliers as well as international suppliers working with us. Whenever we find any issue, we can switch suppliers on both the sides. So raw material, we don't have any specific issue as such. Similarly, on the customer segment, though export has hit for a couple of quarters, but when you see the overall market segment, we have been ensuring that we don't lose our market share in the export market as well. Whilst in the second quarter and 3rd Quarter, we saw that the margins are declining in the export market. So we were able to, you can say, divert those particular quantities to the domestic market, and we have achieved quarter-on-quarter increase in capacity utilizations.

From this, I wanted to just highlight that our focus is definitely to ensure that we sell higher quantities, but the global supply chain disruptions are not in our control. What we can control is how to allocate the quantities profitably, whether in domestic or international markets.

Moderator: Sir, the line for the current questioner, Mr. Amlan got disconnected.

Arihant Bothra: Okay.

Moderator: So meanwhile, we'll move to the next question. Next question is from the line of Saket Kapoor from Kapoor & Co. Please go ahead.

Saket Kapoor: Namaskar sir, and thank you for this opportunity. Sir, firstly, as you mentioned about tonnage being highest at closer to 51k or 51,000 per ton. So what would be the trend going ahead? And also as you alluded to the fact that RM prices, there was an increase. And so with the lag effect, we will have that also getting passed on in the quarter ahead. How should we look into these 2 aspects going ahead?

Ddev Surana: Namaskar Saket ji. So for the second question, probably I will just try to answer that whenever there is a change in prices, we have already passed on. That is reflected from the EBITDA per ton. Last quarter, in 3rd Quarter, our EBITDA per ton was INR 15.5 overall. While in this particular quarter, it is INR 15.6, even if there is an increase of raw material prices by almost 6% to 7% odd. So as we have been informing to all our stakeholders that prices, whenever there is a movement upwards or downwards, it are immediately passed on through the change in price list and new orders are taken on the basis of the new prices.

Whatever orders we generally have in hand, we have similarly back-to-back inventory already with us. So there is no major, you can say, price movement impacts we face for the raw material side.

As far as the quantity is concerned, yes, our trajectory remains the same. We have targeted to grow at a CAGR of 13% to 15% of volume growth. Last 2 years, we have been able to see a volume growth of 16% and 14%, respectively. And we ensure rather we are committed to achieving this targets of 13% to 15% volume growth.

Saket Kapoor: Right, sir. Sir, for the tax payment part, this year, our tax payment is higher when we look at the comparison from last year. So what explains this? In the cash flow, we have seen the net of payment is INR 76 crores. Last year, it was INR 58 crores. However, our PBT numbers have almost remained flat. So if you could just explain to us what led to this higher tax incident?

Ddev Surana: So it all a calculation as per the Income Tax Act. There you can say provisions for which the tax is not payable whilst there are provisions for which it is payable. So it is a calculation. But overall, on a broader sense, I can say you, tax is remaining in the range of 25-point-some-odd percentage, which is as per the new law applicable to us.

Saket Kapoor: And lastly, sir, our major customers are Wires and Cables and we are servicing all the top-notch of the industry. So what are the current business sentiment, if you could just allude to us, how has this financial year begun in terms of the key players like AEI and the other, the response time from them and the demand. If you could just give us some more color of how the economic activities have begun for the current financial year, the first quarter, which is the ensuing quarter?

Ddev Surana: So Saket ji, I will break the question in 2 parts. One is how they look the year ahead and beyond. And second, what is the ground realty. For the ground realty, I will definitely request Kothari ji to answer. But on the first part, if you have seen the commentaries of all the big players, 4, 5 big players, they have right now given a very strong commentary that the demand is again robust for the current year and going forward as well.

And probably they are also seeing a 13% to 16% average growth in this particular segment, which is in line with what we are projecting. So I can only say that whatever we were expecting the demand and whatever guidance we have been giving are in sync with what our end customers are giving in their commentary as well. On the ground reality, I will request Kothari ji to add.

Rajesh Kothari: Yes. So as Arihant has said that the commentary is very strong from the cable companies, and it is visible, because generally, April to June quarter, after a very strong 4th Quarter, we see that cable demand slows down in the 1st quarter compared to the 4th Quarter. But we are towards the end of May, and we do not see any kind of slowdown compared to Quarter 4. Demand is equally strong in these months also. And also the export volumes coming back with our effort to regain our share in the export market, we see, means literally no difficulty in achieving our projections with regard to volume growth.

Saket Kapoor: Right sir. Thank you sir, and all the best to the team. I will join the queue sir.

Moderator: Thank you. Next question is from the line of Arnav Sakhuja from AMBIT Capital. Please go ahead.

Arnav Sakhuja: Yes, so with respect to exports, when can we expect approvals for the U.S. direct exports to come through?

Rajesh Kothari: Yes. So we expect that within next 1 month, we should have these approvals in our hand, because we are working on different specifications. So we are right now working on 3 particular specification of U.S. market. Cable samples are there with the authorities. And we expect at least one approval before June 2025. It should happen in the next 2 to 3 weeks' time. And then the next 2 approvals should come another 3 months' time.

Arnav Sakhuja: Okay.

Rajesh Kothari: Yes. So that should open an opportunity for us to export to more markets, not only to U.S. direct. U.S. direct is one opportunity, but also to the markets in Middle East, North Africa and Europe, which are making cable for American market exports. So we'll be able to gain market share there as well.

Arnav Sakhuja: Okay. Thank you.

Moderator: Thank you. Next question is from the line of Laveena from Spark Capital. Please go ahead.

Laveena Jagwani: Hi sir. Thank you for giving me this opportunity. I had one question. Regarding the new capacities being added in XLPE and HFFR compounds, what is the impact that you see in EBITDA per kg like based on the margin attractive capacities that you are adding?

Arihant Bothra: So we continue to maintain that since we are adding PVC capacity, which has comparatively lower margins in per ton basis, and in HFFR on the high teen basis. So continue to maintain that the INR 15 to rather, Kothari ji has highlighted, INR 14.5 to INR 16 is something which we continue to commit that this is something maintainable.

Laveena Jagwani: Okay, sir. Thank you so much.

Moderator: Thank you. Next question is from the line of Harpreet Singh from Aagam Holdings Private Limited. Please go ahead.

Harpreet Singh: So my first question is what will be the capacity added in the financial year 2026.

Ddev Surana: So as we have highlighted, around 35,000 tons is something which we have already committed and are in pipeline. And there may be some debottlenecking activity, which may also come up. So as of now, 35,000 tons of PVC, HFFR and XLPE put together is already in pipeline.

Harpreet Singh: And operational as well?

Ddev Surana: You can consider XLPE of 5,000 ton is already operational and balance by Q3.

Harpreet Singh: And expected operational capacity?

Ddev Surana: So since it is the first year, you can say the operational capacity will be around 60% to 65% max. But going forward, next year, we can go up to 80% to 85%.

Harpreet Singh: Okay, sir. Thank you.

Moderator: Thank you. Ladies and gentlemen, that was the last question for the day. I would now like to hand the conference over to the management for the closing comments.

Ddev Surana: Yes, sir. Kothari ji?

Rajesh Kothari: Yes, good afternoon, everybody. So it was a very, I would say, productive and informative session of question and answer. And we hope and believe that we have been able to satisfy everybody's queries to the best of our ability. And we assure the investors once again that we are working sincerely, honestly to take the company to a different level altogether.

With that note, I say thank you, and goodbye to everybody. Thank you very much.

Moderator: Thank you, sir. On behalf of PhillipCapital India Private Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.